

PLUMAS CRISIS INTERVENTION  
AND RESOURCE CENTER

Independent Auditor's Report,  
Financial Statements and  
Supplemental Information

Year Ended June 30, 2008

DATE RECEIVED:



AUDIT REVIEW #(s) 04810

Assigned To: Maurit

Date Reviewed: 6/30/09

Reviewer's Initials: DM

Date Review(s) Completed: 6/30/09

PLUMAS CRISIS INTERVENTION AND RESOURCE CENTER  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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Board of Directors  
Plumas Crisis Intervention and Resource Center  
Quincy, CA

### INDEPENDENT AUDITOR'S REPORT

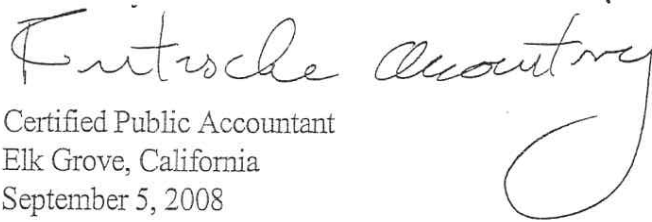
I have audited the accompanying statement of financial position of the Plumas Crisis Intervention and Resource Center (a nonprofit organization) as of June 30, 2008, and the related statements of activity, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Plumas Crisis Intervention and Resource Center's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plumas Crisis Intervention and Resource Center as of June 30, 2008, and the changes in its net assets and cash flows for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated September 5, 2008 on my consideration of the Plumas Crisis Intervention and Resource Center's internal control over financial reporting and my tests of its compliance with certain provisions of laws and regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in considered in assessing the results of my audit.

My audit was conducted for the purpose of forming an opinion on the basic financial statements of the Plumas Crisis Intervention and Resource Center taken as a whole. The accompanying supplemental schedule of grant revenue and expense listed on page 11 of the table of contents is presented for purposes of additional analysis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the collection of conference receipts and grant cost allocation referred to above been susceptible to satisfactory audit tests, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

  
Certified Public Accountant  
Elk Grove, California  
September 5, 2008

PLUMAS CRISIS INTERVENTION AND RESOURCE CENTER, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2008

Assets

Current assets:

Cash and cash equivalents	\$ 29,691
Grants receivable	112,180
Prepaid assets	<u>4,877</u>

Total current assets 146,748

Property and equipment, at cost less accumulated depreciation of \$145,706	37,361
Deposits	<u>2,302</u>

Total assets \$ 186,411

Liabilities and Net Assets

Current liabilities:

Accounts payable	\$ 4,203
Accrued expenses	37,692
Refundable advances	<u>58,600</u>

Total current liabilities 100,495

Net assets:

Unrestricted	<u>85,916</u>
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Total liabilities and net assets \$ 186,411

The accompanying notes are an integral part of these financial statements.

PLUMAS CRISIS INTERVENTION AND RESOURCE CENTER, INC.  
STATEMENT OF ACTIVITY  
YEAR ENDED JUNE 30, 2008

	<u>Unrestricted</u>
Support and revenue:	
Program grants	\$ 540,896
Contributions	42,393
Other income	<u>43,124</u>
 Total support and revenue	 <u>626,413</u>
 Expenses:	
Program services	546,162
Management and general	<u>82,344</u>
 Total expenses	 <u>628,506</u>
 Change in net assets	 (2,093)
Net assets, beginning of year	<u>88,009</u>
Net assets, end of year	<u><u>\$ 85,916</u></u>

The accompanying notes are an integral part of these financial statements.

PLUMAS CRISIS INTERVENTION AND RESOURCE CENTER, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2008

	Program Services	Management and General	Total Expenses
Salaries & wages	\$ 302,807	\$ 33,933	\$ 336,740
Employee benefits	37,734	4,229	41,963
Payroll taxes	27,062	3,033	30,095
Advertising & promotion	3,592	-	3,592
Communications	12,654	1,406	14,060
Depreciation	13,824	1,536	15,360
Dues & subscriptions	997	111	1,108
Insurance	5,453	2,102	7,555
Interest expense	3,150	197	3,347
Maintenance & repair	3,369	-	3,369
Miscellaneous	1,049	790	1,839
Other program expense	43,195	-	43,195
Postage and delivery	1,477	164	1,641
Professional fees	8,647	26,841	35,488
Program consultants	2,974	-	2,974
Rent	33,533	3,726	37,259
Staff development	1,600	178	1,778
Supplies	14,938	1,660	16,598
Training costs & supplies	4,507	-	4,507
Travel	6,759	751	7,510
Utilities	15,184	1,687	16,871
Volunteer support	1,657	-	1,657
Total expenses	<u>\$ 546,162</u>	<u>\$ 82,344</u>	<u>\$ 628,506</u>

The accompanying notes are an integral part of these financial statements.

PLUMAS CRISIS INTERVENTION AND RESOURCE CENTER, INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2008

Reconciliation of decrease in net assets to net cash provided by operating activities:	
Change in net assets	\$ (2,093)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:	
Depreciation	15,360
Increase in grants receivable	(56,426)
Decrease in prepaid expenses	2,009
Decrease in client receivables	12,227
Decrease in accounts payable	(3,006)
Increase in accrued expenses	6,650
Increase in refundable advances	<u>32,372</u>
Net cash provided by operating activities	<u>7,093</u>
Cash flows from investing activities:	
Purchase of equipment	<u>(13,300)</u>
Net cash used in investing activities	<u>(13,300)</u>
Cash flows from financing activities:	
Advances received on note payable	10,000
Principle payments on note payable	<u>(83,047)</u>
Net cash used in financing activities	<u>(73,047)</u>
Net increase in cash	(79,254)
Cash and cash equivalents, beginning of year	<u>108,945</u>
Cash and cash equivalents, end of year	<u>\$ 29,691</u>

Supplemental Data:

Interest paid totaled \$3,347 for the year ended June 30, 2008.

The accompanying notes are an integral part of these financial statements.



PLUMAS CRISIS INTERVENTION AND RESOURCE CENTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2008

NOTE A – SUMMARY OF PROGRAM AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Plumas Crisis Intervention and Resource Center (the Center), Quincy, California, was founded in 1983 to offer individuals and families the opportunity to live to their own potential, and to be treated with dignity and respect, in Plumas and Sierra counties of California.

Program Services

The mission of the Center will be accomplished through the following goals:

- Provide trained personnel to maintain a crisis line on a twenty-four (24) hour-a-day basis;
- Provide educational opportunities to the community;
- Respond to emerging needs in the community;
- Provide information and referral services to the community; and
- Provide direct services or assist individuals and/or families in attaining needed services.

Method of Accounting

The financial statements of the Center have been prepared on the accrual basis of accounting. Thus, revenues are reported in the year earned rather than when collected, and expenses are reported in the year incurred rather than when paid.

Financial Statement Presentation

The Center follows Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

PLUMAS CRISIS INTERVENTION AND RESOURCE CENTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2008

NOTE A – SUMMARY OF PROGRAM AND SIGNIFICANT ACCOUNTING POLICIES

Client Receivables

Client receivables consist of advances to low income clients for rental and utility deposits or emergency needs. Advances range from \$150-250 per individual and are paid back over a period or nine to thirty-six months.

Property and Equipment

Acquisitions of property and equipment in excess of \$2,000 are capitalized and stated at cost if cost information is available; otherwise, they are stated at estimated value. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets.

Refundable Advances

The Center records grant/contract revenue as a refundable advance until it is expended for the purpose of the grant/contract, at which time it is recognized as revenue.

Advertising Costs

All advertising costs are expensed as incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

Expense Allocation

The costs of providing the program services and supporting services have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the program services and supporting services based on estimates of employees' time incurred and usage of resources.

Statement of Cash Flows

Cash and cash equivalents used in the statements of cash flows include cash and highly liquid certificates of deposit with a maturity of ninety days or less.

PLUMAS CRISIS INTERVENTION AND RESOURCE CENTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

The Center is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. In addition, the Center qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

NOTE B – GRANTS RECEIVABLE

Grants receivable, all of which management considers collectible, consisted of the following as of June 30, 2008:

California Office of Emergency Services	\$ 36,481
Plumas County Public Health Agency	34,482
California Department of Health Services	16,718
CASA	9,659
Other	<u>14,840</u>
Total grants receivable	<u>\$ 112,180</u>

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2008:

Computers and software	\$ 79,105
Furniture and fixtures	17,324
Leasehold improvements	20,051
Library	35,119
Machinery and equipment	31,468
Less: accumulated depreciation	<u>(145,706)</u>
Total property and equipment	<u>\$ 37,361</u>

Depreciation expense was \$15,360 for the year ended June 30, 2008.

**PLUMAS CRISIS INTERVENTION AND RESOURCE CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2008**

**NOTE D – REFUNDABLE ADVANCES**

Refundable advances consisted of the following as of June 30, 2008:

Mental Health Homeless/Prescriptions	\$ 13,297
Differential Response	8,863
Plumas Bank - Mentoring	7,196
EYS 2008	6,183
EHAP 2008	5,850
FEMA 2008	3,726
Other	<u>13,485</u>
Total refundable advances	<u>\$ 58,600</u>

**NOTE E – NOTE PAYABLE BANK**

The Center has an unsecured note payable with a bank, principle amount of \$100,000, due March 23, 2009, carrying a variable interest rate currently set at 6.25% per annum. There was no outstanding balance on the note payable at June 30, 2008.

**NOTE F – DONATED SERVICES AND MATERIALS**

The Center received donated rental space valued at \$8,041 during the year ended June 30, 2008 that is recognized as contribution revenue and rental expense on the accompanying statement of activities.

The Center also receives donated services from volunteers that operate the crisis line program and board members assisting the Center in leadership, committees, and fund-raising activities. The value of this donated time is not reflected in the accompanying financial statements since it does not meet the criteria for recognition.

**NOTE G – CONTINGENCIES**

The Center has been awarded certain grants and contracts and is subject to financial and compliance requirements of the grantors or their representatives. The amount, if any, of expenses which may be disallowed by the granting agencies cannot be determined at this time although management does not expect such amounts, if any, to materially affect the financial statements.

## SUPPLEMENTAL INFORMATION

PLUMAS CRISIS INTERVENTION AND RESOURCE CENTER, INC.  
SUPPLEMENTAL SCHEDULE OF OES GRANT REVENUE AND EXPENSE  
YEAR ENDED JUNE 30, 2008

	Plumas County OES Grant Award #RC 07 11 1629	Sierra County OES Grant Award #RC 07 08 1629	Total
Revenue	\$ 109,105	\$ 109,105	\$ 218,210
Expenses:			
Personnel expenses	71,324	77,554	148,878
In-kind match	<u>16,887</u>	<u>16,887</u>	<u>33,774</u>
Sub-total personnel	88,211	94,441	182,652
Operating expenses	20,894	14,664	35,558
Equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>109,105</u>	<u>109,105</u>	<u>218,210</u>
Excess of revenue over expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See auditor's report



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Board of Directors  
Plumas Crisis Intervention and Resource Center  
Quincy, CA

REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

I have audited the financial statements of Plumas Crisis Intervention and Resource Center (a nonprofit organization) as of and for the year ended June 30, 2008, and have issued my report thereon dated September 5, 2008. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Plumas Crisis Intervention and Resource Center's internal control over financial reporting as the basis for designing my audit procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plumas Crisis Intervention and Resource Center's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that

a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control. I consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting (2008-1).

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

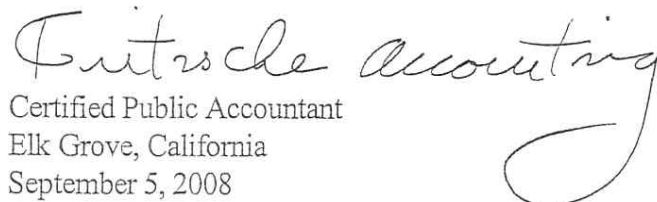
My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, I believe that none of the significant deficiencies described above is a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Plumas Crisis Intervention and Resource Center's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Plumas Crisis Intervention and Resource Center's response to the finding identified in my audit is described in the accompanying schedule of findings and responses. I did not audit Plumas Crisis Intervention and Resource Center's response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of the board of directors, management, The Governor's Office of Emergency Services, The State of California Department of Health Services and the County of Plumas, and is not intended to be and should not be used by anyone other than these specified parties.

  
Certified Public Accountant  
Elk Grove, California  
September 5, 2008



PLUMAS CRISIS INTERVENTION AND RESOURCE CENTER  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2008

PREPARATION OF FINANCIAL STATEMENTS

#2008-1

Criteria:

Financial statements presented for the audit should be free of material misstatements.

Condition:

Material adjustments were required to bring fixed assets and depreciation expense into conformity with generally accepted accounting principles.

Cause:

The need for the adjustments escaped the notice of management and the outside accountants.

Effect:

Accounting for fixed assets on the cash basis of accounting and not booking depreciation expense can cause errors in amounts reported on government reimbursement claims. These errors could result in disallowed costs as well as under claimed costs.

Recommendation:

Capital assets that exceed the threshold for capitalization should be posted to fixed asset accounts in the general ledger and depreciated. Depreciation expense should be recorded in the general ledger and billed to the appropriate funding sources on a monthly basis.

Management Response:

The above-referenced capital asset was a leasehold improvement which was treated as a cash expense. The auditor's finding is well-taken, and we will be cognizant of future capitalizations.